

For Immediate Release: April, 2011

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BARRETT QUESTIONS LEGALITY OF RECYCLING FUND RAID

MILWAUKEE---In a letter to Department of Administration Secretary Huebsch and Department of Natural Resources Secretary Stepp, Milwaukee Mayor Tom Barrett questioned the State's legal authority to reduce 2011 Municipal Recycling Grant funds.

Two weeks ago, The City of Milwaukee was notified by the Department of Natural Resources (DNR) that its 2011 Recycling Grant payment would be reduced by 40.9%. The Department has indicated it will not disperse these funds which were previously appropriated to local units of government in order to balance its own departmental budget.

Based on the \$32,098,100 appropriation provided in 2009 Wisconsin Act 28 and the formula DNR is mandated to use to distribute the funds, the City's 2011 payment should be \$3.66 million. Under the DNR's cut, the City's grant award will be \$2.16 million, a difference of \$1.5 million.

"What should be cut at the state level is being passed down to local governments," Mayor Barrett said. "Recycling Grants are funded with state imposed tipping fees; fees that Milwaukee and other municipalities pay to landfill garbage and that will now be used to subsidize State government bureaucrats rather than the recycling cost-sharing communities across Wisconsin have budgeted for in 2011."

The Recycling and Renewable Energy Fund is a state trust fund. In Wis. Stat. §25.49, the fund is described as a "non-lapsible fund. Payers into the fund entrust the state to spend the money in the manner specified by the legislature.

"This cut, half-way through the year, is at minimum irresponsible and perhaps even unlawful," Mayor Barrett said. "It puts us in a very difficult position. A mid-year reduction of this size is unprecedented and unmanageable. Our levy and fees are set for 2011. The tipping fee revenues currently in this fund should pay for what they were intended to support."